--- CANADIAN RAW LEAF TOBACCO - [RL] ---

Domestic Leaf and *Canada Twist* tobacco was first taxed under the Budget of 1880 at a rate of 14¢ per pound. The Budget of 1883 increased the rate to 16¢ per pound. This rate was reduced to 5¢ per pound in 1885, and once increased to 10¢ per pound in 1914, at which time the term *Domestic Leaf* was replaced by *Manufactured tobacco*. Manufactured tobacco was *processed tobacco* which had been prepared by re-drying, tipping and threshing for sale as *stripped tobacco in bulk* to manufacturers.

In the Budget of 1918, for the first time, a tax of 5¢ per pound was levied on *Domestic Raw Leaf* or *unprocessed tobacco*, and the tax on processed *Manufactured* and *Canada Twist* tobacco was raised to 20¢ per pound.

In the Budget of 1922 the excise duty on *Raw Leaf* tobacco was abolished, but under the Budget of June 1940 it was re-establish at 10¢ per pound.

The Budget of June 1942, as a wartime measure, raised the *excise duty* on *Raw Leaf* tobacco to 20¢ per pound, and the Budget of March 1943 imposed an additional *excise stamp tax* of 8¢ per pound. The Budget of 1953 abolished this 8¢ excise tax while maintaining the 20¢ per pound excise stamp tax.

--- 1/4th pound “Canadian Leaf Tobacco” ---

In the memorandum to *D. Sims, Esq.* (Deputy Minister of National Revenue, Customs and Excise) dated June 14th 1944, *L. A. White* and *C.R. Coombs* record the destruction of the ABN / CBN die OG-334 for the “Series of 1918” one-quarter pound “Canadian Leaf Tobacco” strip.

In a memorandum to *D. Sims, Esq.* (Deputy Minister of National Revenue, Customs and Excise) dated June 14th 1944, *L. A. White* and *C.R. Coombs* record the destruction of the ABN / CBN Roll Nos. G-1308 and G-1310 for the “Series of 1918” one-quarter pound “Canadian Leaf Tobacco” strips.

In a similar memorandum to *D. Sims, Esq.* dated June 8th 1944, *L. A. White* and *C.R. Coombs* record the destruction of the ABN / CBN plate No. 7 and 8 for the “Series of 1918” one-quarter pound “Canadian Leaf Tobacco” strip. The plates were defaced, and subsequently delivered to the Royal Canadian Mint as scrap, while the dies and rolls were delivered to the “Hull Iron and Steel Works”.

--- 1/2 pound “Canadian Leaf Tobacco” ---

In the memorandum to *D. Sims, Esq.* (Deputy Minister of National Revenue, Customs and Excise) dated June 14th 1944, *L. A. White* and *C.R. Coombs* record the destruction of the ABN / CBN die OG-333 for the “Series of 1918” one-half pound “Canadian Leaf Tobacco” strip.

In a memorandum to *D. Sims, Esq.* (Deputy Minister of National Revenue, Customs and Excise) dated June 14th 1944, *L. A. White* and *C.R. Coombs* record the destruction of the ABN / CBN Roll Nos. G-1311 and G-1312 for the “Series of 1918” one-half pound “Canadian Leaf Tobacco” strip.

In a similar memorandum to *D. Sims, Esq.* dated June 8th 1944, *L. A. White* and *C.R. Coombs* record the destruction of the ABN / CBN plates No. 9 and 10 for the “Series of 1918” one-half pound “Canadian Leaf Tobacco” strip. The plates were defaced, and subsequently delivered to the Royal Canadian Mint as scrap, while the dies and rolls were delivered to the “Hull Iron and Steel Works”.

--- 1 pound “Canadian Leaf Tobacco” ---

In the memorandum to *D. Sims, Esq.* (Deputy Minister of National Revenue, Customs and Excise) dated June 14th 1944, *L. A. White* and *C.R. Coombs* record the destruction of the ABN / CBN die OG-332 for the “Series of 1918” one pound “Canadian Leaf Tobacco” strip.

In a memorandum to *D. Sims, Esq.* (Deputy Minister of National Revenue, Customs and Excise) dated June 14th 1944, *L. A. White* and *C.R. Coombs* record the destruction of the ABN / CBN Roll Nos. G-1309 and G-1310 for the “Series of 1918” one pound “Canadian Leaf Tobacco” strip. There is an ***error*** here, since G-1310 has been previously listed for the 1/4th pound strip. He *does not* list the destruction of the one pound “Canadian Leaf Tobacco” plates.

The above paragraphs are taken from information supplied by Chris Ryan

From Chris Ryan by e-mail March 3rd 2013:

"The Series of 1918 stamps used for Canadian Raw Leaf exist in three designs. The first design to be used was lithographed by ABN due to an excessive amount of other work that occupied their facilities and the short notice given by the Inland Revenue Department. An August 15th, 1918, letter by ABN explained the circumstances surrounding the decision to produce the stamps by lithography as a temporary measure:

> *RE: CANADIAN LEAF TOBACCO 1 LB. ½ LB. and **3** LB. TEMPORARY STAMPS PREPARED FROM LITHOGRAPHY*
>
> *On July 30th, the Inland Revenue Department requested us to undertake the engraving of three denominations of these stamps on the understanding that we would deliver at least 500,000 stamps of each denomination by August 24the. It was explained to us that the stamps must be available for distribution by that date in order to carry out certain regulations of the Department operative 1st Sept. 1918.*
>
> *In view of the pressure of work on War Loan bonds, &c., we found it absolutely impossible to prepare steel plate stamps. As a matter of fact, under normal conditions, this would have been impossible even if we were in a position to work day and night.*
>
> *In view of these circumstances, the Department authorized us to print a temporary order of 500,000 stamps each from lithography and with the assistance of overtime work, we expect to deliver this order by August 24th.*
>
> *In view of the urgent delivery required, we were compelled to print these stamps on paper which we had in stock for similar steel plate stamps. Had there been time we would have ordered special paper so that we could have printed the stamps in larger quantity. The capacity of a litho press is considerably greater than that of a steel plate press. As it was, however, we were compelled to print only 15/on; which is the most we can print at one time from steel plate."*

DEPARTMENT OF INLAND REVENUE

Ottawa, August 1, 1918

The Inland Revenue Act provides that there shall be levied, collected and paid an Excise duty of five cents per standard pound on all Tobacco grown in Canada for consumption therein.

It is also provided that every person who desires to grow Tobacco shall make application for a License to the Collector of Inland Revenue for the Division in which the farm or other property upon which he proposes to grow Tobacco is situated.

The Minister charged with the collection of the Tax thus imposed is authorized to make such regulations as he deems necessary for the purpose stated, and in virtue thereof the following regulations are hereby established.

REGULATIONS

CULTIVATORS

(1) A Cultivator shall make application in triplicate for a license to grow tobacco to the Collector of Inland Revenue of the Division in which his farm is situated and shall enclose with application the annual license fee of Two ($2) Dollars.

(2) When the Cultivator disposes of any Leaf Tobacco, to a person or firm other than the Consumer, he shall at once mail to the Collector of Inland Revenue, for the Division in which his farm is situated, a notice (Form No. 69) in duplicate, stating the name, residence, and occupation of the purchaser, and the number of pounds sold or disposed of (actual weight).

(3) If a Cultivator sells a quantity of Leaf direct to a consumer, he shall place upon each package or parcel, stamps of such denominations as will be sufficient to cover the duty on the number of pounds of Tobacco contained in the package or parcel.

(4) Every Cultivator shall keep such books as may be required, and shall furnish the Collector with a monthly return showing the name, address, and occupation of each and every person to whom he has sold Leaf during the month, and the number of pounds in each case.

This return, which will be a copy of the entries contained in the books, must be furnished to the Collector in duplicate, on the first day of the month following that to which it relates, and shall be made upon Form No.68 which will be supplied to the Cultivator by the Collector.

(5) Each Licensed Cultivator shall be entitled, for his own use, free of duty, to a quantity not exceeding thirty pounds of the tobacco grown by him, for every adult male member of his family resident on the farm.

(6) A person may grow for his own use, free of excise duty, upon his farm, without having a license, a quantity of tobacco not exceeding 30 pounds for each adult male member of his family resident upon the farm.

45820-1

\

PACKER

(1) A packer, for the purpose of these Regulations, is every person or firm (other than a Retail Merchant, selling direct to a consumer, and other than a Cultivator) who prepares, packs, or keeps for sale, any Canadian Raw Leaf Tobacco.

(2) A Packer of Leaf Tobacco grown in Canada shall make application to the Collector of Inland Revenue, of the Division in which his packing house is situated, for a license to operate.

(3) The application for License shall be made in triplicate, and shall be accompanied by the License Fee of $2.00 and the bond of an authorized Guarantee Company for the sum of $1,000.00.

(4) A Packer will not be permitted to stem Leaf.

(5) Every Packer of Canadian Leaf Tobacco shall notify to Collector of each shipment of Leaf, giving the number of pounds, and the name, residence, and occupation of the consignee. This notice shall; be made on the form prescribed, in duplicate, and forwarded on the day upon which the transaction occurs, to the Collector of the Division in which the licensed premises are situated.

(6) He shall also keep such book or books as may be prescribed by the Department, showing the shipping transactions for the month., giving name of consignee, residence, occupation and pounds of Leaf shipped.

(7) A monthly return shall be made by the Licensee showing the information contained in the book, or books, and forwarded in duplicate to the Collector of the Division, on the 1st day of each month, for the transactions relating to the previous month.

(8) A Packer shall not sell direct to a consumer.

RETAILERS

Each package or parcel containing Leaf Tobacco sold by retailers must have securely attached thereto, (by the retailer), an Inland Revenue stamp, or stamps, of sufficient value to represent the duty on the quantity sold.

Stamps may be obtained from the Collector of Inland Revenue on requisition. A retail dealer shall sell stamped Leaf only.

LICENSED MANUFACTURERS

Licensed Tobacco or Cigar Manufacturers will pay the excise duty of five (5) cents per standard pound on all Canadian Leaf taken for use. The regulations governing transactions in Imported Leaf shall apply to the domestic article. Foreign Leaf subject to duty, and Canadian Leaf, shall not be stored in the same Bonding Warehouse.

A person, who has taken out a License as a Tobacco or Cigar Manufacturer, for the purpose of stemming or treating Canadian Leaf Tobacco, will be liable for the duty on all Leaf in Warehouse, or in process, in his factory, and such Leaf shall be shipped only to a Licensed Tobacco Manufacturer, under the usual Excise Regulations.

PENALTIES

The Inland Revenue Act provides that every Cultivator, and every person who violates the provisions of this Act, shall be liable upon summary conviction to a fine of not less than $50.00, and not exceeding $200.00, or to imprisonment for any term not exceeding two months, or to both fine and imprisonment, and all tobacco grown by such person shall be forfeited to His Majesty.

INSTRUCTIONS

When a Collector receives notice of a shipment of Canadian Leaf Tobacco, consigned to a person in another Division, he shall immediately forward one copy of the notice to the Collector of the Division in which the person is resident or doing business.

If the Consignee is a Licensed Manufacturer, an Officer shall at once be detailed to see that the Leaf is weighed, tested and entered upon the manufacturer's books.

If the Consignee is a retail merchant, the Collector will see that stamps are purchased from time to time to cover the quantity of Leaf received.

Until such time as the Department supplies books, the Collector shall provide a book suitable for the purpose of recording Sales of Leaf as directed in these regulations, Cigar Manufacturers Stock Book, No.2, may be used for this purpose. Stamps shall be cancelled by the Collector before delivery to the purchaser. These regulations will come into effect on the 1st day of September, 1918.

Assistant Deputy Minister

Note: ***This material has been provided by Chris Ryan.*** I cannot read the signature of the Assistant Deputy Minister. It appears to be *W.H. Gaylin*, but this is only a guess on my part.

Path is [c:\ CR - STAMPS \ RL_STAMPS - Canadian Raw Leaf \ 1918 \ Introduction]
In MS Word 2007 for Windows 7,
Formatted for a HP CP 1525 Laser Jet,
September 15th 2013 - JBH